

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:81
ANSWERED ON:17.10.2008
DEPOSITS BY NRIs
Maadam Shri Vikrambhai Arjanbhai

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has accepted the fixed deposit from Non Resident Indians (NRIs);
- (b) if so, the details thereof during the last three years and the current year;
- (c) the details of sector-wise investment made from NRIs deposit;and
- (d) further steps taken by the Government to attract NRIs deposit?

Answer

Minister of State in the Ministry of Finance(SHRI PAWAN KUMAR BANSAL)

(a) No,Sir.

Government does not accept fixed deposits from NRIs.However,banks,who are authorized dealers,may accept deposits either under
(i) the Non-Resident (External) Account Scheme (NRE account), specified in Schedule 1,from a non-resident Indian, or
(ii) the Foreign Currency (Non-Resident) Account Banks Scheme,(FCNR-B account),specified in Schedule 2,from a non-resident Indian, or
(iii) under the Non-Resident (Ordinary) Account Scheme, (NRO account), specified in Schedule 3, from any person resident outside India. This is as per Regulation 5(1) of Notification No. FEMA 5/2000RB dated 03 May, 2000 [Foreign Exchange Management (Deposit) Regulations, 2000].

(b)

(USD million)
Year NR(E)RA FCNR(B) NRO
[As at end-
March]

2006 22070 13064 11148

2007 124495 15129 1616

2008 26716 14168 2788

2008[As at 24755 113455 3209
August]

Source: Table NO.45 of RBI Bulletin- October 2008

(c) Since the resources are fungible in nature it will not be possible to identify the deployment of particular types or pool of deposits accepted by banks.

(d) Interest Rates on deposits held in Non-Resident (External) (NRE) Accounts and on deposits held in FCNR (B) Accounts were

revised on 16 September,2008,and again on 15th October,2008.